



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

FEDERAL STUDENT AID ID

On Oct. 1, 2014, the USDE published an [Electronic Announcement](#): New FSA ID to Replace the Federal Student Aid PIN. A new login process for the USDE student and borrower-based websites will be implemented in Spring 2015. Websites affected will include the following:

- FAFSA on the Web
- NSLDS Student Access
- StudentLoans.gov
- StudentAid.gov
- TEACH Grant website

The new FSA ID will be a single sign-on process consisting of a user-selected username and password for students, parents and borrowers to authenticate their identity when accessing their federal student aid information. New security requirements and industry best practices make this a critical change to eliminate the need for individuals to enter personal identifiers, such as a Social Security number, name or date of birth, when accessing Federal Student Aid systems. Additional instructions for transition to the new FSA ID will be provided in future announcements.

LOAN SERVICING

The USDE published an [Electronic Announcement](#) Oct. 2, 2014: Loan Servicing Information - Navient Begins Servicing on Oct. 13, 2014. In a [Feb. 25, 2014](#) electronic announcement, the community was informed that Sallie Mae was splitting into two companies - Sallie Mae and Navient. While the separation occurred April 30, 2014, servicing of the separate portfolios actually began Oct. 13, 2014. Sallie Mae is servicing its own private student loan portfolio and Navient began operating and servicing the loans listed below.

- Direct Loan Program loans
- FFEL Program loans owned by USDE
- FFEL Program loans not owned by USDE
- Majority of Sallie Mae private loans that existed prior to the change

Information on how the servicing transition affects schools and federal student loan borrowers is included in this announcement.

Another [Electronic Announcement](#) was published by the USDE Oct. 14, 2014: Loan Servicing Information - Servicing Transition to Navient Completed on Oct. 13, 2014. This announcement served as a reminder of important information related to:



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

- Necessary Actions for Navient Customers
- Updates to Other Systems
- Additional Information

The additional information links to a [StudentAid.gov webpage](#) that includes frequently asked questions and answers about the transition.

The USDE published an [Electronic Announcement](#) Oct. 29, 2014: Loan Servicing Information - 2014 Servicing Summit on Dec. 1, 2014. The first Servicing Summit will be convened by the USDE on Monday, Dec. 1, 2014. This summit will be held before the 2014 FSA Training Conference to be held in Atlanta, Georgia. Attendance was limited to 200 consumer advocates, financial aid administrators and policy makers. The one-day session will be located at the Omni Hotel at the CNN Center, from 8:30 A.M. to 5:00 P.M. (ET). Registration has already closed for this event as the spaces have been filled.

FEDERAL PERKINS LOAN DRAP

An [Electronic Announcement](#) was published by the USDE Oct. 3, 2014: Federal Perkins Loan Default Reduction Assistance Program (DRAP). There is no cost to schools that choose to participate in the DRAP. The

USDE assists schools in bringing defaulted Federal Perkins Loan borrowers back into repayment before their accounts are sent to collection agencies. A letter explaining the serious consequences of default is sent to Perkins Loan borrowers on official letterhead from the USDE. This letter encourages borrowers to contact the school to initiate repayment arrangements. Information regarding timing of requests and instructions on how to request DRAP assistance from the USDE is provided in the announcement.

TRAINING

On Oct. 3, 2014, the USDE published an [Electronic Announcement](#): COD Computer-Based Training - 2014 Updates. Several updated modules of the Common Origination and Disbursement Computer-Based Training is now available. Information on how to download and navigate the COD CBT can be accessed at <http://ifap.ed.gov/codcbt/CODCBT.html>.

The USDE published an [Electronic Announcement](#) Oct. 10, 2014: 2014 Federal Student Aid Training Conference *for Financial Aid Professionals*. There are over 4,500 financial aid professionals already registered for the conference, which will be held at the Georgia World Congress Center Dec. 2 - Dec.5, 2014, in Atlanta, Georgia.



FINANCIAL AID DEVELOPMENTS

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Lodging at the Omni, Westin, Hyatt and Hilton Hotels is currently sold out. According to an updated electronic announcement published [Nov. 17, 2014](#), rooms will be available at the Atlanta Marriott Marquis for attendees who book through Thursday, Nov. 20th. Secure lodging information can be found at <http://fsaconferences.ed.gov/lodging14.html>. Meal and break times will not be scheduled, so you can schedule your day according to the sessions you want to attend. A draft agenda and session descriptions are now available at <http://www.fsaconferences.ed.gov/program14.html>. Be sure to have a back-up session selected in case your first choice is full. Food and refreshments will be available at a discounted price within the vicinity of the conference sessions. Be sure to check the [FSA Training Conference Web site](#) for more information and updates.

Dear Colleague Letter [ANN-14-24](#) was published by the USDE Oct. 14, 2014: EDExpress Online Training - EDExpress Release 3.0 Online Training for 2014-2015. This online training is available on the Federal Student Aid E-Training website located at <http://fsatraining.info>. The self-paced course provides step-by-step instruction on EDExpress Release 3.0 for the Direct Loan and TEACH Grant modules.

FFEL SPECIAL ALLOWANCE RATES

The USDE published a [SAP Memo](#) Oct. 3, 2014: Federal Family Education Loan Program Special Allowance Rates for the Quarter Ending Sep. 30, 2014. Attachments to the memo contain the quarterly special allowance rates computed for the quarter ending Sep. 30, 2014. The bond equivalent rates of the 91-day Treasury Bills auctioned during the quarter are also provided. The average rates are below.

- Commercial Paper Rate .13 percent
- LIBOR Rate .16 percent
- Treasury Bill Rate .02 percent

REFERENCE GUIDES

The updated reference guides below were published by the USDE in the month of Oct. The guides listed are linked with the corresponding electronic announcement with the date of publication.

- [Appendices \(2014-2015 Federal Student Aid Handbook\) - Oct. 6, 2014](#)
- [Appendix C – Technical Resources and Assistance \(2014-2015 FSA Handbook\) - Oct. 16, 2014](#)
- [2014-2015 SAR Comment Codes and Text Guide - Oct. 6, 2014](#)



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

- [2015-2016 SAR Comment Codes and Text Guide - Oct. 28, 2014](#)
- [2015-2016 ISIR Guide - Oct. 7, 2014](#)
- [2015 2016 CPS Test System User Guide - Oct. 7, 2014](#)
- [2015-2016 EDE Technical Reference \(Final\) - Oct. 8, 2014](#)
- [2014-2015 COD Technical Reference - Oct. 16, 2014](#)

FORMS

On Oct. 8, 2014, the USDE published Dear Colleague Letter [GEN-14-18](#): Revised Direct Loan and FFEL Program Discharge Forms. The revised loan discharge forms have been approved for school closure, false certification and unpaid refunds. The new forms may be used immediately and have an expiration date of Aug. 31, 2017. The previous versions of the forms are not to be distributed after Jan. 31, 2015, but may continue to be accepted after that date. The DCL has information on the substantive changes to the revised discharge forms, along with reformatting and printing instructions.

Dear Colleague Letter [GEN-14-19](#) was published by the USDE Oct. 8, 2014: Revised Teacher Loan Forgiveness Application and Teacher Loan Forgiveness Forbearance Request Forms. The revised forms have been approved for immediate

use and have an expiration date of July 31, 2017. The previous forms, with an expiration date of May 31, 2014, may not be distributed after Jan. 31, 2015, but may continue to be accepted after that date. Additional information explaining the substantive changes is provided in the DCL, along with reformatting and printing instructions.

An [Electronic Announcement](#) was published by the USDE Oct. 21, 2014: HEAL Program Information - ED HEAL Program Forms Now Available for HEAL Lenders and Lender Servicers to Use. There are nine out of ten Ed versions of the HEAL Program forms now available on the [HEAL Forms](#) page of the IFAP Website. HEAL lenders and lender servicers are to continue using the HHS version of the Medical Release form until the USDE publishes their version of the form. Included in this announcement, is a chart of the available HEAL forms with form names and numbers.

COMMENT REQUESTS

A [Federal Register Notice](#) was published by the USDE Oct. 16, 2014: 2015-16 National Postsecondary Student Aid Study (NPSAS: 16) Field Test Student Data Collection. The USDE is proposing a revision of an existing information collection. This is a nationally representative study of how students and



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

their families finance postsecondary education and has been fielded every 3 to 4 years since 1987. The next field test collection will occur in 2015, with major data collection occurring in 2016. Additional information is provided on the study in the Federal Register. Comments are due on or before Dec. 15, 2014.

On Oct. 21, 2014, the USDE published a [Federal Register Notice](#): Comment Request; Employment Certification for Public Service Loan Forgiveness. Direct Loan borrowers eligible for the program will use this form to certify they have worked for a qualified employer during the certification period for the Public Service Loan Forgiveness Program. Comments are due on or before Nov. 20, 2014.

VERIFICATION

The USDE published an [Electronic Announcement](#) Oct. 17, 2014: Acceptable Documentation Update for 2014-2015 Award Year Verification. This announcement provides updated guidance regarding alternative documentation that can be accepted for income and other tax related verification information. For the remainder of the 2014-2015 award year verification, the following information must be submitted as alternative documentation, for tax filers

who were unsuccessful in obtaining an IRS Tax Return Transcript.

- A signed copy of the relevant (i.e., applicant, spouse, or parent) 2013 IRS tax return.
- For tax filers who had attempted to request an IRS Tax Return Transcript using IRS Form 4506T-EZ or Form 4506-T, a copy of the IRS response that was provided to the tax filer stating that the IRS could not provide the requested transcript. The copy of the IRS response must be signed and dated by the tax filer.
- For tax filers who had attempted to request an IRS Tax Return Transcript using the IRS online transcript request process, a signed and dated copy of the screen print from the official IRS Web page that displays a message indicating that the transcript request was unsuccessful.

Additional requirements are outlined in the announcement.

An [Electronic Announcement](#) was published by the USDE Oct. 31, 2014: Program Integrity Questions and Answers Website Update. The verification portion of the Program Integrity website was recently



FINANCIAL AID DEVELOPMENTS

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updated. To view additions and revisions, select the following link <http://www2.ed.gov/policy/highered/reg/hea/rulemaking/2009/integrity-qa.html>, click on the appropriate topics and look for the “new” icon next to Q&As that have been added and a bold revised date next to those that were modified.

HEAL PROGRAM

On Oct. 17, 2014, the USDE published an [Electronic Announcement](#): HEAL Program Information - Maximum HEAL Program Interest Rates for Quarter Ending December 31, 2014. The “Current Maximum Interest Rates” section of the [HEAL Interest Rates](#) page of the [HEAL Program Area](#) on the IFAP Website has been updated with the maximum HEAL Program interest rates for the quarter ending Dec. 31, 2014.

VIOLENCE AGAINST WOMEN ACT

An [Electronic Announcement](#) was published by the USDE Oct. 20, 2014: Final Regulations Implementing the Violence Against Women Act. In an effort to curb incidents of sexual assault, domestic violence, dating violence and stalking on institutional campuses, the Final Rule implements requirements for:

- Additional reporting

- Schools to conduct prevention and awareness programs and campaigns to prevent dating and domestic violence, sexual assault and stalking
- Strengthening protections for victims

The associated [Federal Register Notice](#), also published by the USDE Oct. 20, 2014, provides more detail on the changes made.

G5 WEBSITE OUTAGE ALERT

The USDE published an [Electronic Announcement](#) Oct. 23, 2014: OUTAGE ALERT - G5 Website Outage Nov. 19-24, 2014, Impact to Federal Student Aid Processing and on Funds Availability for Title IV Programs. The USDE will be performing extended system maintenance to its core financial systems from 9:00 P.M. (ET) Nov. 19 through 6:00 A.M. (ET) Nov. 24, 2014, including G5. Schools will not be able to draw down funds for the following programs during the outage.

- Federal Pell Grant (Pell Grant)
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work Study (FWS)
- Teacher Education Assistance for College and Higher Education Grant (TEACH Grant)
- William D. Ford Federal Direct Loan (Direct Loan)



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

- Iraq and Afghanistan Service Grant

Important information is provided in the announcement regarding Common Origination and Disbursement System processing.

DIRECT PLUS LOAN PROGRAM

On Oct. 23, 2014, the USDE published a [Federal Register Notice](#): Final Regulations Strengthening and Improving the William D. Ford Federal Direct PLUS Loan (PLUS Loan) Program. The standard for determining if a potential parent or student borrower has an adverse credit history for Direct PLUS Loan eligibility purposes has been updated. The definition of “adverse credit history” has been revised and definitions for “charged off” and “in collection” have been added to the regulations for greater clarity. A loan counseling requirement has been added for parents and students who have adverse credit history, but were approved due to extenuating circumstances or because they were able to obtain an endorser. This counseling must be completed before receiving Direct PLUS Loan funds. These regulations are effective July 1, 2015; however, the USDE agrees with comments received that they should be implemented early. A separate Federal Register Notice

will be published with the implementation date in the future.

STUDENT AID INTERNET GATEWAY

An [Electronic Announcement](#) was published Oct. 27, 2014: Active Confirmation of TG Numbers (SAIG Mailboxes) and Electronic Services User Accounts Required by Dec. 12, 2014, to Maintain Access to Federal Student Aid Systems. Every organization enrolled for a SAIG account is required to review and validate their assigned TG numbers by Dec. 12, 2014. This is done to ensure the ongoing security of Federal Student Aid’s data systems. Enrolled staff members that still require SAIG access must be confirmed and users that no longer need accounts must be deleted by the Primary Destination Point Administrator for each organization. Instructions on how to validate or delete SAIG accounts is included in the announcement.

FISAP

The USDE published an [Electronic Announcement](#) Oct. 29, 2014: FISAP Edit Corrections and Perkins Cash on Hand Update Due Dec. 15, 2014. Any changes made to the Fiscal Operations Report for 2013-2014 and the Application to Participate for 2015-2016, as well as correction of any edit errors, must be



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

submitted to the USDE by Monday, Dec. 15, 2014. Deadline reminders for the following actions are provided in the announcement, along with information to help schools complete these tasks.

- Changes to FISAP data
- Corrections to FISAP data and edit errors
- Reporting Perkins Cash on Hand
- Other Important Notes
- Contact Information

FAFSA RENEWAL REMINDER

On Oct. 30, 2014, the USDE published an [Electronic Announcement](#): Reminder: Submit 2014-2015 SAR and ISIR Corrections by Jan. 12, 2015, in Preparation for 2015-2016 Renewal Reminder Distribution. All schools are reminded to update 2014-2015 Student Aid Report and Institutional Student Information Record transactions for their students with a current e-mail address, in preparation for the 2015-2016 Renewal Reminder distribution for the FAFSA. Applicants who meet eligibility requirements for a 2015-2016 renewal Free Application for Federal Student Aid will be sent a renewal reminder e-mail between Jan. 15 and Jan. 22, 2015.

GAINFUL EMPLOYMENT

A [Federal Register Notice](#) was published by the USDE Oct. 31, 2014: Final Rule: Gainful Employment. The [Electronic Announcement](#) associated with this final rule was published the same date. The regulations were amended to establish measures for determining whether certain postsecondary educational programs prepare students for gainful employment in a recognized occupation and the conditions under which these programs remain eligible under the FSA programs authorized by Title IV of the HEA, as amended. For more information, review the Federal Register Notice and check the [Gainful Employment Information 2014](#) page on the Information for Financial Aid Professionals website.

TECHNICAL

An [Electronic Announcement](#) was published by the USDE Oct. 31, 2014: 150% Direct Subsidized Loan Limit: Electronic Announcement #15 - Processing Tips for COD System Edits 204, 205 and 206. The number of COD System edits triggered for Direct Loan awards has increased in the past several weeks. This announcement provides processing tips and reminders to assist schools in researching and resolving these edits for each award impacted. The COD Reject Edits listed are those identified as needing correction.



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

- COD Reject Edit 204: Incorrect Program CIP Code Submitted
- COD Reject Edit 205: Payment Period Start Date is outside the Award Begin and End dates
- COD Reject Edit 206: The Remaining Subsidized Eligibility Period is less than zero for this award

FEDERAL SCHOOL CODE LIST

The USDE published an [Electronic Announcement](#) Oct. 31, 2014: 2015-2016 Federal School Code List of Participating Schools (Nov. 2014). The [Federal School Code List](#) includes schools participating in the Title IV federal student aid programs and the unique codes assigned to them by the USDE. These codes are used by students to indicate which postsecondary schools will receive the processed application results from their Free Application for Federal Student Aid. Instructions are given in the announcement for updating your school's FSC information.